

Appendix A: Citizen Participation Plan and Comments

Public Comment Period: February 25, 2005 – March 25, 2005

Public Hearings: March 14, 2005, 10:00 AM – 12:00 PM
West Springfield Town Hall
26 Central Street
West Springfield, MA 01089

March 15, 2005, 10:00 AM – 12:00 PM
Department of Housing & Community Development
100 Cambridge Street
4th Floor, Conference Room A
Boston, MA 02114

West Springfield Public Hearing

Attendees Who Testified

- Richard Johnson, Case Manager, Northern Educational Services
- John Cariddi, Executive Director, Greenfield Housing Authority
- Roy Rosenblatt, Amherst

Other Attendees

- Joseph LaPlante, Community Development Director, Town of West Springfield
- Bernard Kubiak, Hadley
- Jeanne Kidwell, Community Development Director, City of Chicopee
- Anne Marie Belrose, Associate Deputy Director for Policy, DHCD
- Elizabeth Malloy, Policy Analyst, DHCD
- Louis Martin, Deputy Associate Director of Community Services, DHCD
- Mark Siegenthaler, Community Development Manager, DHCD
- Rebecca Frawley, HOME Program Director, DHCD
- Dan Rogers, HOME Housing Program Specialist, DHCD
- Bonnie Heudorfer, Consolidated Plan Consultant

Boston Public Hearing

Attendees Who Testified

- Don Bianchi, Senior Policy Advocate, Massachusetts Association of Community Development Corporations

Other Attendees

- Tim Hanson, Town of Ayer
- Sandy Osgood, Department of Transitional Assistance
- Keith Jones, Disability Policy Const.
- Bonnie Heudorfer, Consolidated Plan Consultant
- Jed Baumorell, Department of Neighborhood Development, City of Boston
- Steve Sadwick, Town of Tewksbury
- Mark Frey, Department of Public Health
- Diane Sullivan, ABCD, Inc.

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- Mark Nunheimer, Alliant Capital
- Mike Vance, ABCD, Inc.
- Elizabeth Fish, City of Somerville
- Anne Marie Belrose, Associate Deputy Director for Policy, DHCD
- Elizabeth Malloy, Policy Analyst, DHCD
- Louis Martin, Deputy Associate Director of Community Services, DHCD
- Mark Siegenthaler, Community Development Manager, DHCD
- Rebecca Frawley, HOME Program Director, DHCD
- Karen Bresnahan, Policy and Planning, Division of Community Services, DHCD
- Sandra Hawes, Associate Director of Community Services
- Catherine Racer, Associate Director of Housing Development
- Joann McGuirk, Deputy Associate Director for Housing Development, DHCD
- Grisselle Ubilez, HOME Housing Program Specialist, DHCD

Written Testimony Received

- Don Bianchi, Senior Policy Advocate, Massachusetts Association of Community Development Corporations
- Valerie Fletcher, Executive Director & Barbara Chandler, Housing Project Director, Adaptive Environments
- Mac McCreight, Attorney, Greater Boston Legal Services & Judith Liben, Attorney, Massachusetts Law Reform Institute
- Diane V. Hansen, Program Manager, Town of Saugus
- Roger Colton, Fisher, Sheehan & Colton, Public Finance and General Economics

Summary of Comments Received

CDBG Contingency Planning

▪ **Comment:**

What is the contingency plan for cuts to the Community Development Block Grant Program?

Response:

While DHCD under normal circumstances makes it a practice to employ contingency plans, the timing of the potential reductions to, or elimination of CDBG relative to the drafting of the Consolidated Plan was such that it did not allow time to fully consider one. Furthermore, as the CDBG cuts were announced relatively early in the federal budget process there was no indication that the full cuts to the program were likely.

The 2005-2009 Strategic Plan section of the Consolidated Plan is the only piece affected by the proposed elimination of CDBG. That said, the first year of the five-year Consolidated Plan is based on the already known appropriation for FY 2005, therefore there is no need for contingency for the FY 2005 Action Plan. As more is known about the future of CDBG for FY 2006 and beyond, DHCD will assess the need for a contingency plan.

HOPWA

▪ **Comment:**

A significant barrier to service providers to people with HIV/AIDS is the lack of access to affordable scattered site housing. A particular need is assistance with the first and last months rent in order to transition individuals and families in a housing unit. Inadequate regional funding exacerbates this problem as Title II funding for Western Massachusetts is

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significantly less than Title I funding for Eastern Massachusetts. These barriers, in addition to the ongoing stigma of HIV/AIDS, pose significant challenges to housing clients.

Response:

The Department of Public Health (DPH) is committed to eliminating HIV/AIDS stigma and funding services based on prevalence and capacity. DPH contacted the individual commenter to discuss this issue after oral testimony was given.

Child Care Costs

■ **Comment:**

The high cost of child care services impacts the ability of low and moderate income families to meet other household costs, including the expense of housing; even housing that has been restricted as affordable. What resources are available for families who need affordable child care as well?

Response:

The Commonwealth of Massachusetts created the Office of Child Care Services (OCCS) in 1997 to bring together all aspects of child care services in the state. The OCCS website is listed below along with additional information on early learning services provided by the Massachusetts Department of Education and child care and preschool resources.

www.qualitychildcare.org

www.doe.mass.edu/els/

www.massresources.org

Fair Housing

■ **Comment:**

Support was expressed for DHCD's commitment to ensure that residents with long-term support needs have access to appropriate services and housing choice. However, the lack of comprehensive planning and policy making through a unified entity was cited as contributing to a gap in technical assistance to navigate various access standards and federal and state fair housing laws. The development of a statewide accessibility technical assistance center was recommended.

Response:

To improve the planning and organizational capacity of the state's small municipalities, DHCD offers assistance in the form of training sessions, workshops, and conferences; grants for consultative assistance through the Peer-to-Peer program; direct assistance from staff members; planning assistance through the Priority Development Fund; and participation in collaborative state-wide training efforts, such as the Citizen Planner Training Collaborative and the Local Capacity Building Partnership. To assist non-profit developers and community-based organizations, we offer workshops and training sessions in addition to supporting the work of our partner agencies who offer a variety of services, such as technical assistance grants, one-on-one assistance, training sessions, and written guidance materials. DHCD and its partner agencies also collaborate on a web-based toolkit for both municipalities and developers that provides them with information on various housing development programs, regulations, statutes, and techniques.

The Commonwealth of Massachusetts is examining these issues and working with a Fair Housing Advisory Panel to further address these important concerns in a time of reduced financial resources.

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▪ **Comment:**

Support was given in regards to the inclusion of design standards and plan review within the Chapter 40R Smart Growth Overlay District Regulations promulgated by DHCD in early 2005. Extending similar standards and including the failure to meet such standards as an actionable sanction for all state statutes and programs was advocated.

Response:

DHCD, through education and outreach, actively promotes the creation of housing opportunities that meet the needs of all residents throughout the Commonwealth. Furthermore, on the program level, DHCD closely monitors compliance with all applicable laws with respect to the development of housing. Through recommendations of the Fair Housing Advisory Panel, DHCD will seek to promote better understanding of these laws to its partners in the housing delivery system.

Energy Efficiency

▪ **Comment:**

What types of energy efficiency measures or initiatives in the development of ownership housing are being taken at the local level?

Response:

Housing developed or rehabilitated and public facilities funded through the Community Development Block Grant (CDBG) program are required to involve elements that go beyond the Energy Star requirements (e.g., LEED certification) or use renewable energy or combined heat and power.

The Division of Housing Development, within DHCD, requires that all new construction and substantially rehabilitated units meet Energy Star standards. For moderate rehabilitation projects, we require designs to include low maintenance, energy efficient systems and materials, as well as Energy Star-certified appliances.

▪ **Comment:**

How does DHCD assist low and moderate income homeowners with costs related to energy consumption and energy efficiency?

Response:

DHCD administers the Weatherization Assistance Program, funded through the federal Department of Energy, which works to reduce energy costs and fund home modifications that contribute to permanently warmer and safer home environments for low-income households, especially the vulnerable elderly, disabled and households with children under the age of six. Reducing energy consumption for low-income households enables client households to better target their financial resources, live in safer and more comfortable homes, and reduce their long-term demand for energy. This in turn helps conserve natural resources and reduce overall energy demand and costs across the state.

CDBG Action Plan

▪ **Comment:**

The policy regarding matching funds for projects needs revision. Non-entitlement communities such as Saugus are prohibited from applying for grants requiring match funds because of the timing of grant awards. Only entitlement communities or wealthy

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communities are able to participate in these programs. It is patently unfair and represents a fundamental flaw with respect to the Massachusetts CDBG Action Plan.

Response:

DHCD continues to explore means by which CDBG funds can effectively be used to match other state and federal grant resources, and those other resources can effectively be used to match CDBG funds, given competing deadlines, and the requirement by each program that 'other' or matching funds be committed prior to making an award from the respective programs. DHCD suggests that it will more likely have greater success in this regard with state funded programs operating under the umbrella of the Office for Commonwealth Development.

Principles and Objectives

▪ **Comment:**

DHCD should incorporate the principle "Enhance the capacity of community based organizations and local government" more fully into the Consolidated Plan by including it within objective #1 and #2 in the section named "2005 Objectives and Strategies."

Response:

DHCD agrees with this comment and has incorporated the language as suggested.

State Public Housing

▪ **Comment:**

The state's 50,000 public housing units are home primarily to extremely low income families, and individuals and thousands more poor and homeless households are on the waiting lists. Everyone agrees that the state public housing stock needs substantial upgrade and that current funding for operating and capital needs are inadequate. A recent report found that the Commonwealth needs to spend, on average, an additional \$139 per unit, per month to meet actual operating costs, or an additional \$78 million.

Because of local politics, racism and the shabby state of some developments, state public housing is under attack in several communities and more proposals for demolition are expected. Unless state government devotes more resources and strong political support for its state public housing, we will lose a substantial amount of this housing, causing more homelessness and undermining the stated goals and objectives in the Con Plan.

While recognizing the tremendous need for housing for the extremely low income and homeless, the Con Plan's strategies and initiatives, especially for Objectives 1 and 3 do not adequately address the problem because there is no concrete commitment to commit resources to really maintain and preserve state public housing.² Despite cost increases faced by housing authorities, the governor's FY 06 budget would reduce funding for state operating subsidies by approximately \$2 million when they should be increased by at least \$6.4 million (from \$33.1 million to \$39.5 million).

Response:

DHCD vigorously supports housing that serves extremely low and low income families and is consistently investigating ways to maintain and improve services within the Governor's

² Rehabilitation of public housing is an eligible use of CDBG funds. See 24 C.F.R. § 570.202(a).

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expenditure budget and appropriation. Close monitoring, at every level, of the Commonwealth's state public housing portfolio, is essential to ensure that it remain the lowest-cost alternative for providing housing to residents who face the highest risk of homelessness. DHCD reviews all public housing repair and modernization projects to ensure maximum efficiency. In reviewing ways to optimize the use of the current portfolio, DHCD has recognized a need to move "empty nesters" and other over housed households to smaller units in order to free up larger units for eligible and qualified homeless and other waiting list families. Achieving this goal will result in housing families in apartments with the appropriate number of bedrooms for family size, subject to statutory protections for certain veteran households, and the ability to provide housing for larger size households who have fewer and more costly housing options.

Massachusetts Rental Voucher Program

■ **Comment:**

Given the lack of affordable housing for extremely low income families in the Commonwealth, the constant cuts in funding to MRVP since it was established in FY '93, and the freeze on federal Section 8 vouchers, it is vital that we restore vouchers to this program. Because of state budget constraints during the past few years, only 4,715 out of the 7,483 vouchers authorized under this program are now leased. Within just the last five years, there has been a cut in the program of over \$10 million. The state's original rental assistance program served almost 20,000 households at the end of fiscal year 1990.

The administration's FY 06 budget calls for the slow death of the MRVP program by prohibiting distribution of turnover of vouchers to new families. And the administration's proposed level funding for the program is woefully inadequate. Further, with no recognition of how hard it is for ELI families to find and keep housing in the private market, as described in the Con Plan, the administration proposes an arbitrary time limit for a family's use of the voucher, putting MRVP families at extreme risk of homelessness at the end of this time period. Many of the participants in this program are elderly and/or persons with disabilities on fixed incomes, and those who have employment often are in very low-wage work with little prospect of the rapid economic advancement that would be necessary for them to secure private housing solely based on their own incomes.

Response:

MRVP allows for the distribution of vouchers that become available at turnover. The time restriction proposal exempts elderly and/or persons with disabilities from this requirement.

Utility Costs

■ **Comment:**

Utility costs are ever-escalating for residents of the Commonwealth. While certain initiatives have been taken to help ameliorate these impacts for low-income families, such as the establishment of discount rates for gas and electric utilities, more should be done. Owners who receive weatherization or fuel assistance help in covering rental costs should also agree to cap increases in rent in exchange for financial assistance received, and to only evict for "good cause" reasons associated with tenant fault. Tenants who are facing termination of utilities should be referred to fuel assistance agencies and to negotiate repayment and discount arrangements before there is a termination of assistance. Utility allowances should be updated to reflect current costs. The RAFT program should be extended, and should be available to help prevent shut-offs. In addition, the Commonwealth's new legislation which permits water costs to be shifted to residential tenants needs to be factored in to any analysis of shelter costs, since this is likely to increase the relative tenant costs. Assistance will also

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be needed for tenants to ensure that owners are not improperly passing over costs without taking the steps (installation of sub-meters and water saving devices, and only as part of a new tenancy) required by the law.

Response:

RAFT program funds can be used for utility arrearages and to prevent shut-offs. Governor Romney filed a FY 2005 supplemental budget which including the transfer of \$3 million from the Department of Transitional Assistance to DHCD to fund the RAFT program.

CDBG 2005 One Year Action Plan

Informational Sessions:

October 12, 2004 10:00 AM – 12:00 PM
West Springfield Town Hall
26 Central Street
West Springfield, MA 01089

October 21, 2004, 10:00 AM – 12:00 PM
Department of Housing & Community Development
100 Cambridge Street
4th Floor, Conference Room A
Boston, MA 02114

Summary of Comments Received

Sustainable Development

■ **Comment:**

It is not appropriate for DHCD to mandate that Community Development Strategies be aligned with Sustainable Development Principles as an individual community may choose differing priorities.

DHCD has developed criteria for evaluating project consistency with Sustain Development Principles. The DHCD did not share those criteria with communities in a timely manner. DHCD was urged to allow greater flexibility and provide clear written guidance on how applicants may meet the Sustainable Development Principles threshold.

The new smart growth thresholds mean that some projects meeting objectives of Title I of the Housing and Community Development Act of 1974 will be unable to meet the threshold and will therefore be ineligible for funding. A system should be developed to be consistent with HCDA and SD Principles, but allow for flexibility to meet the needs of all communities.

It was recommended that Energy Star Standards be applied only where possible or feasible.

There are numerous neighborhood and target area type projects which both the DHCD and HUD are promoting which could not be done using CDBG funds based on the requirement as currently written. It is understood that the Commonwealth views these six principles as more significant than the remaining four, however, as proposed, few infrastructure, public facility

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and other development projects would be possible. Therefore, it is strongly recommended that the compliance requirement be changed such that a community must be consistent with at least two of the following six sustainable development principles (expand housing opportunities, increase job opportunities, restore and enhance the environment, provide transportation choice, redevelop first, or concentrate development) and at least one of the remaining four (be fair, conserve natural resources, foster sustainable businesses, plan regionally).

It was recommended that all “Planning” projects be exempted from compliance with the sustainable development principles.

Response:

The draft one-year plan that was posted in September 2004 stated that in order to receive CDBG funding a project or activity must be consistent with one of the following Sustainable Development principles: expand housing opportunities, increase job opportunities, restore and enhance the environment, and must also be consistent with one of the following three principles: provide transportation choice, redevelop first, or concentrate development. The threshold has since been revised so that projects must either be consistent with the principle of Redevelop First or meet at least four (4) of the remaining principles. In addition, public facilities projects that involve new construction must be consistent with either Concentrate Development or Restore and Enhance the Environment.

Due Date

■ **Comment:**

The due date is problematic as it offers communities only three months to prepare a CDBG application over three holidays and during the season of bad weather and the flu. An extension of the due date to the end of February was recommended. These time constraints were noted in addition to the time needed to incorporate new requirements or changes that need to be made.

Response:

DHCD extended the due date to March 1, 2005.

Comprehensive Neighborhood Impact

■ **Comment:**

DHCD was encouraged to not penalize communities that are not targeting and to consider expanding eligible “targets” to population groups as opposed to just geographic targeting.

Neighborhood targeting is biased to urban communities. DHCD should acknowledge that targeted CDBG approaches may differ in rural, suburban or urban areas. If goal is to increase total impact of CDBG dollars spent, rural areas are more likely to achieve this aim by coordinating programs around a population group (i.e. elders) or type of program (i.e. affordable housing)

This strategy does not fit for housing rehabilitation programs because households needing rehab assistance are represented equally in rural areas as well as mill and downtown districts. Also, the available funding is not sufficient to allow for the necessary activities for a neighborhood that includes many streets.

Response:

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As per the previously released Draft One Year Plan, DHCD reiterates that it is encouraging, not requiring, “activities that are integrated with one another and targeted to a particular neighborhood or geographic area...” DHCD will, however, score the Community Impact section of the Community Development Fund applications based in part on how the proposed projects result in or contribute to a comprehensive approach to revitalization of the community or region. This is consistent with HUD guidance, and addresses criticism of the CDBG Program by the Federal Office of Management and Budget (OMB) as ineffective in part because the program “provides few incentives to target most funding to a specific neighborhood.” The targeting effort also supports the Governor’s Smart Growth agenda.

DHCD will be convening regional focus groups to address, among other things, how to best design and implement this comprehensive, integrated and geographically targeted approach for rural, suburban and urban areas.

Bid Ready Plans and Specifications

■ **Comment:**

Will the new costs related to the new requirements under MGL for an owner’s project manager for projects over \$1.5 million be eligible under CDBG during the creation of plans/specs?

DHCD should remove the requirement for formal site plan review of modular construction. Some renovations may only need work write up – not full plans and specifications. Site plans prepared by a qualified and licensed professional should be sufficient.

As construction costs have escalated recently due to increased labor and materials costs, it is highly recommended that the DHCD replace \$25,000 and \$75,000 with \$100,000.

Response:

DHCD has reviewed the above comments and has revised the One Year Plan accordingly, except that the cost of the project manager during the design phase, including development of plans and specifications, cannot be considered as an allowable cost.

Notice of Intent (NOI)

■ **Comment:**

DHCD was urged to be sensitive to local dynamics and changes to the Notices of Intent (NOI) upon application submission.

DHCD should move the NOI due date to much earlier, and incorporate Sustainable Development Principles into NOI.

The use of a revised form was proposed and supported by various parties.

Response:

DHCD can address some of the concerns noted, but will still require submission of a form that captures the information as intended and required by DHCD.

Architectural Barrier Removal

■ **Comment:**

The intention of DHCD is noble and correct; however, the wording is not. As this presently reads, an applicant would be required, for example, to install a vertical lift in a building rather than elevator, because that is the minimum required to remove the barrier, but it may not fully

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address the needs of the potential users. The wording should be changed to as follows: "...CDBG funds may be used only for the relevant barrier removal work and directly related and required construction. CDBG funds cannot be used to address building code or local requirements which are not directly part of the removal of the architectural barrier".

It is not clear if other states have legislation similar to CMR 521 that mandates full compliance if an improvement is valued at more than 30% of the building's appraised value. Full compliance does include door hardware, door thresholds and widths, counter heights, appropriate stair treads, even a secondary egress that can be negotiated by a person with mobility impairments.

HUD must understand that in Massachusetts full compliance is required. If HUD is not willing to use its money for certain types of modifications, then state what modifications will be eligible and let the Town determine if they can raise the local share to meet the costs of the balance of the CMR 521 requirements.

Response:

DHCD may consider alternative language such as what has been suggested. DHCD supports HUD's interpretation of the architectural barrier removal requirements, but DHCD is not in a position to respond to the issues addressed to HUD.

Joint Application

▪ **Comment:**

The One Year Plan states: "An application will not be considered a joint application if the only activity (or activities) proposed to take place in one of the co-applicant communities is public services." Public social service funds are already capped at 20 percent. What objection should there be to spreading the dollars further and serving more people? It also contradicts the CDBG priority to encourage joint or regional applications so that program funds will be used to benefit a greater number of municipalities.

Response:

DHCD may reassess the requirement in the future.

15 Year Affordability

▪ **Comment:**

This requirement continues to be an area of concern for the older population. Many elders won't enter into such an agreement.

Response:

The minimum 15 year affordability restriction for owner occupants (not investor owners) is executed through a lien that is released upon sale or transfer of the subject property allowing homeowners the option to sell their homes if necessary.

Community Needs Narrative

▪ **Comment:**

The One Year Action Plan states: "Regional and joint applications will be scored based on a narrative addressing needs of all participants." This statement needs further clarification regarding whether all applicants refers to all joint applicants or includes a community in a regional application for a single activity.

Response:

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In either case, DHCD is interested in seeing a narrative that discusses the needs of all participants – i.e. all communities included in an application that are to be served with CDBG funds if the application is successful.

CDF II

■ **Comment:**

Support was expressed for the practice of allowing a CDF II community to apply for A/E prior to the year they are eligible to apply for funds to implement the project but it is unclear what DHCD allows.

CDF II communities should only have to sit out one year rather than two.

Response:

CDF II communities are defined as those with less relative need, presumably those with greater capacity to fund feasibility and design portions of local priority projects. If communities are committed to a particular project this is an opportunity to fast track a project by committing local funds to the design stage, and reduce the potential development time frame that results from the CDBG grant cycle.

Economic Development

■ **Comment:**

DHCD proposes that public social services (PSS) designed and provided solely to support microbusinesses, or PSS that increase employment MUST apply under EDF. The suggestion was made that it be allowed under CDF too.

Response:

DHCD has reviewed the issues and the policy will stand as proposed in the Draft One Year Plan.

Public Benefit Standards

■ **Comment:**

Monetary standards for public benefit have been frozen at \$20,000 per job for at least a decade. These standards need to be updated to reflect the increased cost of doing business, including the dramatic increase in construction costs.

Response:

Based on the regulatory requirements (\$35,000 & \$50,000 -- and in some cases \$10,000 per job), the State needs an additional margin to assure overall compliance with all mandated thresholds. Because HUD's thresholds have not changed, the state can not change thresholds.

Performance Measures

■ **Comment:**

It is premature to adopt COSCDA/HUD/OMB system before it has been publicly reviewed and formally finalized.

Will this be finalized by the FY 2005 funding round? Will this affect the grant application process? Will this affect the quarterly reporting process? Will the SCA/GMS quarterly reporting process be altered accordingly? What impact does this have on grantees?

Response:

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DHCD will be required by HUD to implement Performance Outcome Measures, and to begin doing so with the FY 2005 Consolidated Plan process. The final methodology for reporting on those measures is in draft form (further changes are possible) and has been derived from the CDBG authorizing legislation. As with all HUD rules, any proposed regulations relating to Performance Outcome Measures will be published in the Federal Register at which time the public will have an opportunity to comment. The draft methodology is tied to the Consolidated Plan and Performance Evaluation Report requirements that impacts administrative requirements of grantees (States and Entitlement communities). Certain broad outcomes will be used in FY 2005 grant applications. Additional specific indicators will ultimately be added to the reporting requirements the States and Entitlements are already responsible for providing to HUD. Once full measures are incorporated into the program as required by HUD these will be included in the quarterly reporting process and the SCA/GMS quarterly reporting process will be altered accordingly. The impact on the grantees will be that they will be required by regulation to consider the intended outcome of a proposed activity, and report on the actual outcome upon completion of that activity.

Timely Expenditure

■ **Comment:**

In regards to the return of funds during the six months to dodge the timely expenditure threshold, DHCD is strongly recommended that this language be changed to a “warning” that this will become a requirement under the FY 2006 CDF program. It was further suggested that this violates public and due process.

Response:

DHCD strongly disagrees with the premise that this violates public and due process. DHCD has consistently reinforced the need to undertake adequate and appropriate project planning in order to complete projects on time and in accordance with the grantee’s applications and grant contracts. Timely expenditure requirements are not new. This measure continues to reinforce that need, closing a loophole in clear language, and is designed to prevent communities – and administering agencies operating on behalf of communities - from applying for more funds than it needs or is able to expend, then stockpiling funds at the expense of other applicants that were not funded, only to return funds to DHCD in order to meet timely expenditure requirements of the Program and apply for yet more funds. However, DHCD will consider this comment as it prepares the final One Year Plan.

Mini Entitlement

■ **Comment:**

The proposed scoring system is counterproductive and prone to allowing point ‘creeping.’ A newly designed application and point system that scores projects to a threshold point only in order to assure the project is high impact, eligible and ready to proceed was suggested. The current system 1)fosters ill will because mini entitlements get a guarantee of money and can submit lower quality proposals (only having to hit 27 points) in the process; and b) perpetuates complexity.

The expansion of the Mini Entitlement communities is unfair because it reduces the competitive CDF monies. The need score of 19-21 is not low enough. Demographics in certain communities (such as Amherst) are skewed by a high student population affecting total population and LMI. It is, therefore, requested that DHCD further refine Mini Entitlement criteria and cap the total number at 12.

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Concerns were expressed over the appearance that DHCD wishes to add municipalities to the list of mini-entitlement communities when it is receiving an unprecedented number of new applications that are clearly more needy than these, some of which have not earned the right to receive funding in the last seven fiscal years.

What is “transitional assistance”? How are those funds to be used? Do the subject communities have to apply competitively for these funds? Less funding will be available for CDF I and CDF II communities that must compete for CDBG dollars.

Response:

As far back as 2002 DHCD considered eliminating the Mini-Entitlement Program due to performance in some communities and questions about the effectiveness and results of the commitment of those funds to date. After significant public input, internal discussions, and policy analysis, DHCD has agreed to maintain the Mini-Entitlement Program. DHCD is intrigued that a Mini-Entitlement community believes the 27 point threshold to be too low and will consider raising it this year rather than next.

The Mini-Entitlement criteria have been refined, and provide a clear basis for inclusion in the Program. DHCD did not add more Mini-Entitlements; the number of qualifying communities increased as a result of changes in communities’ demographic and Census indicators, and a change to the criteria to capture the significance of having a community wide LMI of 51% or more. To set a predetermined cap on the number of Mini-Entitlement at 12 or of any other number would be arbitrary and capricious with no basis in sound policy. DHCD reminds the commenter that Mini-Entitlements are competing for grants of up to \$600,000 – as opposed to the \$800,000 cap for CDF I and CDF II communities. Furthermore, the program design requires Mini-Entitlements to compete “against themselves” by attaining a minimum project packet score. The result may likely be that some or all Mini-Entitlements are not awarded the full \$600,000. In that event, all funds set-aside for Mini-Entitlement but not awarded will be reallocated to the CDF components.

The resulting expansion of the number of Mini-Entitlements follows from HUD’s guidance on targeting and employing a comprehensive approach as these communities have been defined by DHCD through the criteria as high need communities.

Transitional assistance allows those no longer qualifying as Mini-Entitlements to transition to competitive application preparation.

DHCD is unsure on what basis (legal, programmatic, moral, ethical?) the commenters are claiming that new Mini-Entitlement communities “have not earned the right to receive funding in the last seven fiscal years.” All of the six new Mini-Entitlements were awarded Massachusetts CDBG funds over the past seven years. One of the six did not apply for any of the traditional components but received funds under EO 418 for its Community Development Plan. Regardless, the current formula incorporates the most recently available Census and other demographic data, updated from what was used in the last seven fiscal years. Furthermore, DHCD’s assessment has found that low municipal capacity, particularly in those communities that have not availed themselves annually of the CDBG Program, may contribute to and further exacerbate their high need. The position of DHCD is that the Commonwealth will guarantee CDBG assistance to certain communities by virtue of their demonstrated need, as evidenced by the Mini-Entitlement formula.

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Public Facilities Feasibility and Construction

▪ **Comment:**

Projects take too long to go through the process of feasibility study grants, design grants, and construction grants. A separate set aside of CDBG grant funds for feasibility studies and construction is recommended. Applications for these funds should be rolling, similar to Economic Development funding applications. These changes would allow for much more expedient completion of these projects on behalf of the local communities.

Response:

DHCD respectfully suggests that rather than rely on Mass CDBG funds time and again for each stage of a particular project, the grantee seek other funds, particularly the relatively smaller amounts of funds required for feasibility studies. In addition to allowing a community to exercise greater control over the project timelines and fast track a project, this would also demonstrate local commitment and earn leverage points in a construction grant application.

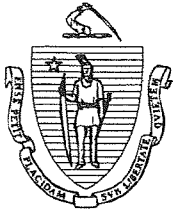
FAQ's

▪ **Comment:**

DHCD is encouraged to cull the agencies policies and publish on its website a 'Frequently Asked Questions' page.

Response:

This is good suggestion; DHCD will develop a FAQ page as it continues to advance its website.



Commonwealth of Massachusetts
**DEPARTMENT OF HOUSING &
COMMUNITY DEVELOPMENT**

Mitt Romney, Governor ♦ Kerry Healey, Lt. Governor ♦ Jane Wallis Gumble, Director

Memorandum

To: Bob Shumeyko
From: Anne Marie Belrose *AMB*
Subject: 2005-2009 Consolidated Plan Focus Groups
Date: May 6, 2005

Prior to developing Massachusetts' Five Year Consolidated Plan for submission to the US Department of Housing and Urban it conducted five regional focus groups throughout the Commonwealth to elicit feedback from individuals and organizations who partner with us to carry out this important mission, and from the communities and constituents we serve. Throughout the process, DHCD's goal was to maximize community participation throughout Massachusetts. The regional focus groups were held on the following dates at the following locations:

- April 21, 2004 – West Springfield, MA Town Hall
- April 26, 2004 – Auburn, MA Town Offices
- April 28, 2004 – Greater Lawrence Technical School – Andover, MA
- April 30, 2004 – Middleborough, MA Town Hall
- May 4, 2004 – McCormack State Office Building – Boston, MA

The focus groups began with an introduction to each of the four covered programs, and a brief overview of regional demographic, economic, and housing data. The true purpose of the focus groups was to obtain information from participants regarding how DHCD should identify and prioritize the housing and community development needs of the participant communities. This included examination of successes and failures of our administrative process, priorities for funding, and how we can facilitate the local decision-making process and coordinate state and local processes. The information gleaned from the focus groups informed the development of DHCD's strategic priorities for the Consolidated Plan, and will also guide DHCD in delivery of its non-covered programs, as well as technical assistance. A summary of the responses from those who participated follows. Please note that the questions posed of participants are in bold type, and that the responses are summarized, except where a response was unique based upon geography or circumstances.

**1) How are housing and community development needs identified in your community?
How have these needs been addressed? Have needs shifted over the last few years?**

Needs are often identified through public forums, the EO 418 certification process, (which gives communities a framework to evaluate needs, testimony at hearings) and understanding zoning and how to use buildout analyses. Faith-based organizations have supported this effort, but also identified the need for capacity-building. Some communities have undertaken a comprehensive planning process, and some have ascertained housing and community development needs through their program

administration, by monitoring applications for various programs. For example, housing rehabilitation is a highly-sought-after resource, as evidenced by oversubscription of the program. Frequently, needs are identified through meetings with providers and advocates as well.

Demographic shifts have been widely cited and are closely tied to shifting local needs. As the younger population (i.e. aged 21-35) decreases, the older population has increased and requires additional services.

Boston noted that fewer federal resources are available, necessitating more creativity in programming to try to address needs, and also noted an increased need for middle income housing, given that there is less market driven affordability. Everett cited that an increase in new immigrants has shifted local needs for housing and services, and language supports, as well as increased need for assisted living for the elderly, and open space for children.

2) What are your key priorities for housing and community development?

Many communities noted the essential nature of maintaining and increasing public housing, and providing opportunities for elderly and handicapped persons to age-in-place in their existing home. Additionally, allowing mixed-used districts in downtown to increase the housing supply and stabilize downtown businesses was identified as a priority. Gardner seeks to update zoning ordinances to provide for infill development, second story downtown development, and seeks to redevelop brownfields. The key priority for Cape Cod is year-round rental housing, workforce housing, and family housing. Many communities noted that it is difficult to attract teachers and other public employees due to the cost of housing.

3) What are the gaps in your services?

Inadequate staff capacity in smaller communities was widely cited throughout Massachusetts, as was a related inability to adequately disseminate information to the public. While the housing rehabilitation program has been very successful, many communities noted that the funding was inadequate to meet the needs of the community. Other key funding issues related to public housing, funding to revise zoning, funding to maintain public buildings, and administrative support funding for communities seeking to develop affordable housing.

Mass Shelter/Housing Alliance noted that better strategies must be developed for special needs populations, including discharge planning for DYS, DSS, DMR, and DMH clients.

4) What non-financial resources does your community need?

Many communities seek increased technical assistance related to access to information about resources and how to find them, ways to create and improve public support for affordable housing (including through faith-based groups), and technical assistance related to smart growth.

5) Identify your key successes and failures, and the reasons for them.

Southbridge cited housing rehab and the ability to keep elders and handicapped residents and single parents in their homes as well as the development of small neighborhood parks as its key successes, and credited the Mini-Entitlement Program as essential. It cited the inability to keep businesses in town as a failure.

Gardner cited leveraging funding and other resources to create housing and downtown revitalization as key successes, and also noted that the Mini-Entitlement Program was a key factor.

Worcester cited increased homeownership as its key success – by utilizing HOME funding to convert several three-family properties to affordable homeownership opportunities with affordable rental units as well.

Marlborough cited as a key success the local shift in perception regarding affordable housing as a result of highly successful projects that had been recently completed. In particular, the improved design of affordable housing has improved local attitudes toward Chapter 40B and other affordable housing.

Boston cited the successful completion of its comprehensive housing plan, but noted that it has difficulties balancing neighborhood revitalization with pricing people out of their existing or former neighborhoods.

6) How much progress has been made in the last five years? What have the obstacles been?

Some communities noted programmatic success related to improved delivery of CDBG information and paperwork to cities and towns. Additionally, some communities noted that they are optimistic about using tools such as tax increment financing and district increment financing to advance their community development efforts. Worcester noted success in salvaging houses slated for demolition.

Inadequate funding (and continuity of financial commitments) was consistently cited as the key obstacle to success.

7) What opportunities exist for integration and coordination of state and/or local programs?

A number of communities noted that DHCD's technical assistance and outreach, including urban renewal has been very helpful and look forward to taking advantage of similar opportunities on more topics in the future. EO 418 and Commonwealth Capital also provide opportunities for information sharing and coordination among state agencies. Communities also indicated that they would like assistance to address housing and community development issues on a regional basis.

8) How can DHCD help foster better coordination?

Participants sought technical assistance with respect to the development process, as well as fair housing law enforcement, leadership, and support. They also suggested copying administering agencies and planning commissions on DHCD mailings, and publicizing valuable web links and access to other information.

9) What data or other information would help you in your housing and community development decision-making process?

Participants suggested that DHCD increase the breadth of its web site FAQs, and provide more web links, etc.

